

Improve Your Filing Season

IRS Nationwide

2007

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Improve Filing Season By

- Reducing Rejects
 - What causes Rejects
 - How to Read; Resolve and Avoid
- Splitting Refunds
- *e*-filing ITINs
- Form 8453 as we knew it
- Using the Practitioner PIN



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IRS *Validity Checks*

Up-front checks on every *e-file* return may cause the return to reject:

- Validation of Forms/Schedules
- Verification Checks: SSN, EIN, Year of Birth, Date of Death
- Duplicates – Return Filing and TINs
- Verify AGI or Prior Year PIN for Self-Select PIN
- Check for Debt Offsets to IRS or FMS

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Internal Revenue Service

United States Department of the Treasury

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IRS Resources

- [Compliance & Enforcement](#)
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2006 Tax Year IRS e-file of Individual Income Tax Returns

[Accepted Forms and Schedules](#)

[Country Codes for Forms 2350, 1555/2555-EZ, and Foreign Employer Compensation Record \(FEC Record\)](#)

[Error Reject Code Explanations for Individual Income Tax Returns](#)
(Updated 02/07/2007)

[Error Reject Code Explanations for Electronically Transmitted Documents](#)
(Updated 02/01/2007)

[Form Field References for Individual Income Tax Returns](#)

[Form Field References for Electronically Transmitted Documents](#)

[Form 8453](#)

[Form 8453-OL](#)

[Form 8878](#)

[Form 8879](#)

[Form 9325](#)

[IRS e-file Calendar for Tax Year 2006](#)
(Updated 01/29/2007)

[IRS e-file Updates for Tax Year 2006](#)
(Updated 1/18/2007)

[IRS e-file Telephone and Web Directory](#)

www.irs.gov/efile/article/0,,id=166050,00.html

GENERIC IRS ACKNOWLEDGEMENT REPORT

1.	2.	3.	4.	5.	6.	7.	8.	9.	
TIN	NAME	Refund	STATUS Date of ACK	e-file STATE	Sig Doc	Debt Ind	ACH Debit	SVC CTR	
111-11-1111	CABLE	\$2,946	Accepted 4/15	NY	PIN	N		AND	
111-11-1112	LEO	\$3,256	Accepted 4/15	GA	PIN	I		PHI	
111-11-1113	BELL		Rejected						
111-11-1114	MCCOY	\$4,500	Exception 4/15	HI	PIN	B		FRESNO	
111-11-1115	ROGERS	(\$256)	Accepted 4/15	IL	PIN		Y	KC	

Returns (s)

Accepted: 4

Rejected: 1

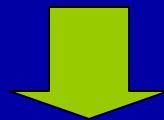
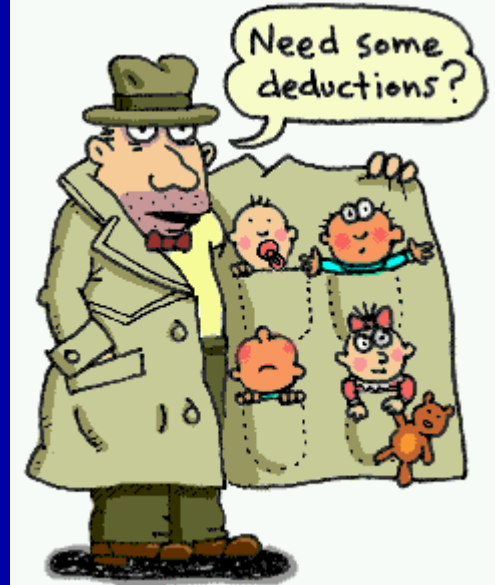
Total 5

PIN Returns Accepted 3

Reject Report #1

111-11-1113

BELL



Form Reference: Form 1040/A Copy number 01,

Sequence number 185

Error Code: 504

Dependent's SSN (SEQ 175,185,195,205) and corresponding Dependent Name Control (SEQ 172,182,192,202) must match data from the IRS Master File

Form **1040**

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return**2005**

(99)

IRS Use Only—Do not write or stamp in this space.

Label

(See instructions on page 16.) Use the IRS label. Otherwise, please print or type.

L
A
B
E
L

H
E
R
E

For the year Jan. 1–Dec. 31, 2005, or other tax year beginning

, 2005, ending

, 20

01/01/2005 to 12/31/2005

Your first name and initial

Last name

050

010

020

060

If a joint return, spouse's first name and initial

Last name

055

030

040

070

Home address (number and street). If you have a P.O. box, see page 16.

Apt. no.

062

080

You must enter your SSN(s) above.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 16.

100

064

066

083

087

095

097

098

Checking a box below will not change your tax or refund.

Presidential

Election Campaign

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16)

☐ You☐ Spouse**Filing Status**

Check only one box.

130

1

☐ Single

2

☐ Married filing jointly (even if only one had income)

3

☐ Married filing separately. Enter spouse's SSN above and full name here. ▶ 140

4

☐ Head of household (with qualifying person). (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 150 153

5

☐ Qualifying widow(er) with dependent child (see page 17)**Exemptions**

If more than four dependents, see page 19.

6a

160 Yourself. If someone can claim you as a dependent, do not check box 6a

175

161

163 Spouse . . . 164 . . . 165

Boxes checked on 6a and 6b

167

c Dependents:

(1) First name

Last name

*170

+171

+172

180

181

182

190

191

192

200

201

202

195

205

215

(2) Dependent's number

(3) Dependent's relationship to you

(4) If qualifying child for child tax credit (see page 19)

+177

☐ +178

187

☐ 188

197

☐ 198

207

☐ 208

No. of children on 6c who:

• lived with you

• did not live with you due to divorce or separation (see page 20)

240

247

Dependents on 6c not entered above

350

Add numbers on lines above ▶

355

d Total number of exemptions claimed

357 358 362 364

Income

Attach Form(s) W-2 here. Also attach Forms W-2, 1099, etc.

7

Wages, salaries, tips, etc. Attach Form(s) W-2

373

@374

"STM nn"

375

7

378

379

8a

Taxable interest. Attach Schedule B if required

380

8b

385

8a

380

b

Tax-exempt interest. Do not include on line 8a

390

"P8814"

9a

391

394

9a

Ordinary dividends. Attach Schedule B if required

392

"P8814"

9b

396

9a

391

394

b

Qualified dividends (see page 23)

392

"P8814"

9b

396

9b

396

396

10. 600 - Form 8862 is missing from the tax return and it is required

9. 535 - Qualifying SSN on Schedule EIC and Year of Birth mismatch

8. 510 - Primary-Secondary or Dependent SSN used on another return

7. 503 - Secondary SSN and Name Control on Form must match data from the Master File

6. 500 - Primary SSN and Name Control on Tax Form must match data from the IRS Master File

5. 501 - Qualifying SSN of Schedule EIC and the Name must match data received from SSA

4. 502 - EIN on Form W-2, W-2G, or 1099-R must match data from the IRS Master File

3. 507/506 - Qualifying Dependent SSN was previously used for the same purpose on 1040/EIC

2. 679/680 – For SSP the primary/secondary AGI must match prior year AGI or prior PIN.



And for at least the 3rd Year in a Row
the #1 e-file Reject Code is:

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504 - Dependent's SSN must match data
from the IRS Master File

Enhancements



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Splitting Refunds

- **Money Magazine's Single Best Idea for 2007**
Divide refunds in up to 3 financial accounts using Form 8888, *Direct Deposit of Refund to More Than One Account*

"Invest your tax refund for retirement – automatically. Starting with your 2006 tax return, you'll be able to

directly deposit your refund in an IRA. Yield not to the temptation of spending your refund-just get yield."

- **80,000 requested as of 4/17/07 for tax year 2006**
Types of Accounts include:
 - Checking
 - Savings
 - IRAs, HSAs, Archer MSAs, Coverdell Education Accounts
 - Retirement IRAs
- If the amount of the refund changes a bottom-up rule takes effect

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Form **8888**

Department of the Treasury
Internal Revenue Service

Direct Deposit of Refund to More Than One Account

▶ See instructions below and on back.

▶ Attach to Form 1040, Form 1040A, Form 1040EZ, Form 1040NR, Form 1040NR-EZ, Form 1040-SS, or Form 1040-PR.

OMB No. 1545-0074

2006

Attachment
Sequence No. 56

Name(s) shown on return

Your social security number

1

to be deposited in first account

Number

d Account number

▶ c

☐ Checking

☐ Savings

1a

2

to be deposited in second account

Number

d Account number

▶ c

☐ Checking

☐ Savings

2a

3

to be deposited in third account

Number

d Account number

▶ c

☐ Checking

☐ Savings

3a

4

Total amount to be directly deposited

from lines 1 and 3a. The total must equal the

amount shown on Form 1040, line 74a; Form 1040A, line 43a; Form 1040EZ, line 12a; Form 1040NR, line 72a; Form 1040NR-EZ, line 24a; Form 1040-SS, line 12a; or Form 1040-PR, line 12a

4

e-filing ITINs

- Use ITIN on top of tax form as identifying number
- Enter SSN as shown on W-2
- Levels the playing field
- Reduces adverse effect on SSN holders
- 680,000 returns filed with ITINs as primary taxpayer



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Self-Select PIN

- *Beginning with the 2008 filing season, EROs can e-file individual income tax returns only if the returns are signed electronically using either the Self-Select or the Practitioner PIN method:*
 - *Paperless signature by taxpayer via Self-Select PIN or*
 - *Electronic signature by authorization to third party via Form 8879 retained by the ERO*

Practitioner PIN vs. Self-Select PIN

- Practitioner PIN eliminates the need to provide the Adjusted Gross Income from the prior year or PIN from the prior year.
- In many cases eliminates a state signature document
- Requires a Form 8879 be signed and retained for 3 years by ERO –electronic media or paper

Assistance & Resources

- e-Help - 866-255-0654
- Quick Alerts Questions?
- www.irs.gov and www.ssa.gov
- Treasury Offsets – 800-304-3107

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